

**Blue Cross  
Blue Shield**  
of Florida

# PROFILE

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## **South Florida Project**

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“South Florida Project”

Plan Makes Bid to Process Dade and Monroe Medicare “B” Claims

Editor’s Note: On Tuesday, October 27, Blue Cross & Blue Shield of Florida submitted an unsolicited proposal to the Health Care Financing Administration (HCFA) of the Federal Government to assume administration for Medicare Part B (which covers beneficiaries’ doctor bills) for Dade and Monroe Counties. Profile talked with Senior Vice President for Operations Dan Lewis about the Plan’s proposal to regain the contract that was lost to Group Health, Inc. (GHI) in 1975.

Dan Lewis is usually soft-spoken and serious. He normally articulates his points carefully and concisely. But when he discusses what has become known as “The South Florida Project,” Dan’s face beams his enthusiasm. On this topic, he speaks with a quiet confidence that is clearly mixed with a sense of joy and accomplishment.

“Blue Cross and Blue Shield lost the Medicare Part B contract for Dade and Monroe Counties in 1975 because of our poor performance,” he said. “If we win back the contract, it will be because of our outstanding improvements. Win or lose, our Part B staff has demonstrated to the Federal Government exceptional, really remarkable performance.”

Based upon the Plan’s current capabilities and proven historical improvements, HCFA could expect the following improvements if it awards the Dade and Monroe Medicare B contract to Blue Cross and Blue Shield of Florida:

- An immediate administrative cost savings of more than \$1,000,000 a year.
- A productivity improvement of 80%.
- A mean cycle time reduction of approximately 70%.
- A reduction of day’s-work-on-hand of more than 50%.
- A reduction of day’s-work-on-hand over 30 days of about 80%.
- A reduction in the rate of errors of approximately 60%.
- A reduction of the payment deductible error rate of about 50%.

After ticking-off the benefits that the Plan could provide the Government, Lewis quickly switched his attention to providing evidence to support his claims. “Let’s take the question of productivity, for example. In fiscal year 1976, for each 100 corporate manhours worked we processed 182 claims,” he stated. “For each 100 manhours worked in fiscal 1980, we were able to process 725 claims. This improvement represents a productivity increase of approximately 400%.

“If we look at our costs per claim, the improvement is equally dramatic. In 1976, our cost per claim was \$4.60. In 1980, we had cut it in half to \$2.29. The budget level we’ve projected for fiscal 1982 is even lower — \$2.10 per claim. We are currently rated as one of the best contractors in the nation in terms of productivity and cost per claim.”

If Dan Lewis seems to be particularly pleased with the improvements made, he has a right to be. He began his career with the Plan twenty years ago. When the Plan lost the Medicare B contract in South Florida, Dan was appointed Senior Vice President of Benefits Administration. With that assignment came the responsibility for the Plan’s claims processing activities.

“We have spent the last 6 years improving



Dan Lewis

our performance. We didn’t want to make this South Florida proposal until we were positive that we had regained the respect of Medicare Administrators.

“Our staff has gone from being considered one of the least efficient Medicare processors to one of the most efficient. They have demonstrated their competence. The Federal Government is aware that our people can do the added work that South Florida represents. The credibility that the performance of our staff has earned is what has created this opportunity.”

At this point in the conversation Plan President Bill Flaherty walked into Dan Lewis’ office. He was asked if he had comments concerning the South Florida Project. Flaherty quickly smiled his approval of the topic.

“There are no guarantees that we will win back South Florida,” Bill Flaherty said. “HCFA will have to thoroughly review our proposal and make its decision. But the key to the Government giving our proposal serious consideration is the performance of the 468 people in Medicare B and the other Plan employees who help support that activity.

**“Win or lose, our Part B staff has demonstrated to the Federal Government exceptional, really remarkable performance.”**

“This effort was really extraordinary, a phenomenal achievement contributed to by individuals throughout the organization,” Flaherty said. “Bill Dodd, for example, led a team that defined our medical policies by individual procedure codes and then incorporated those codes into our computer systems. This work is recognized as the model system throughout the health care industry and by HCFA.

“Members of our Board, particularly Dr. Joe Matthews (former chairman of the Blue Shield Board and now vice-chairman of the combined Board), was helpful in convincing physicians to put computer terminals into their offices. Because of his success and the efforts of George Lewis in the Professional Relations Division and Dr. Donegan, a former Board Member of Blue Shield, we were able to automate much of our claims processing, pay claims faster and at a lower cost.

“And people, like Nathan Oplinger, Mike Cascone, Bill Long and Bill Peaks, and many others put the new systems into operation, smoothly and efficiently — obviously a monumental task. This effort has been corporate-wide. Many others also contributed to this turn-around.

“The point that I think is important is that we, the employees of the Plan, create our own opportunities by contributing to the growth of the business. The South Florida Project potentially represents approximately 170 new Plan jobs. That could translate into improved career and growth opportunities for our people.

**“If we look at our costs per claim, the improvement is equally dramatic. In 1976, our cost per claim was \$4.60. In 1980, we had cut it in half to \$2.29.”**

“The South Florida Project is significant because it is a clear signal to everyone who is a part of the Plan that we intend to continue to move forward carefully, but aggressively,” Flaherty said. “We developed our original strategy for this project in the Fall of 1979. The Plan was already being recognized as an innovator and a good performer. Instead of being satisfied, however, we decided to do a superior job in all of the categories HCFA uses to measure Medicare administrators. It’s fortunate that we did.

“The Government is now in the process of making significant changes in its procurement policies. We don’t know yet which standards will be used to judge our proposal. However, we feel confident,” Flaherty stated, “that whatever standards are finally adopted by HCFA, our performance will be among the leaders, nationally.

“In March of 1981 we put together a project team headed by Steve Davis. The commitment made by Steve and his team — made-up of Ray Chaffin, Sharon Jones, Sandra Wilson, Tom Purvis and Henry Douglas — to develop this proposal was remarkable. If we use this effort — in which hundreds of employees contributed — as a model for similar attempts, our future as a business enterprise is assured.”

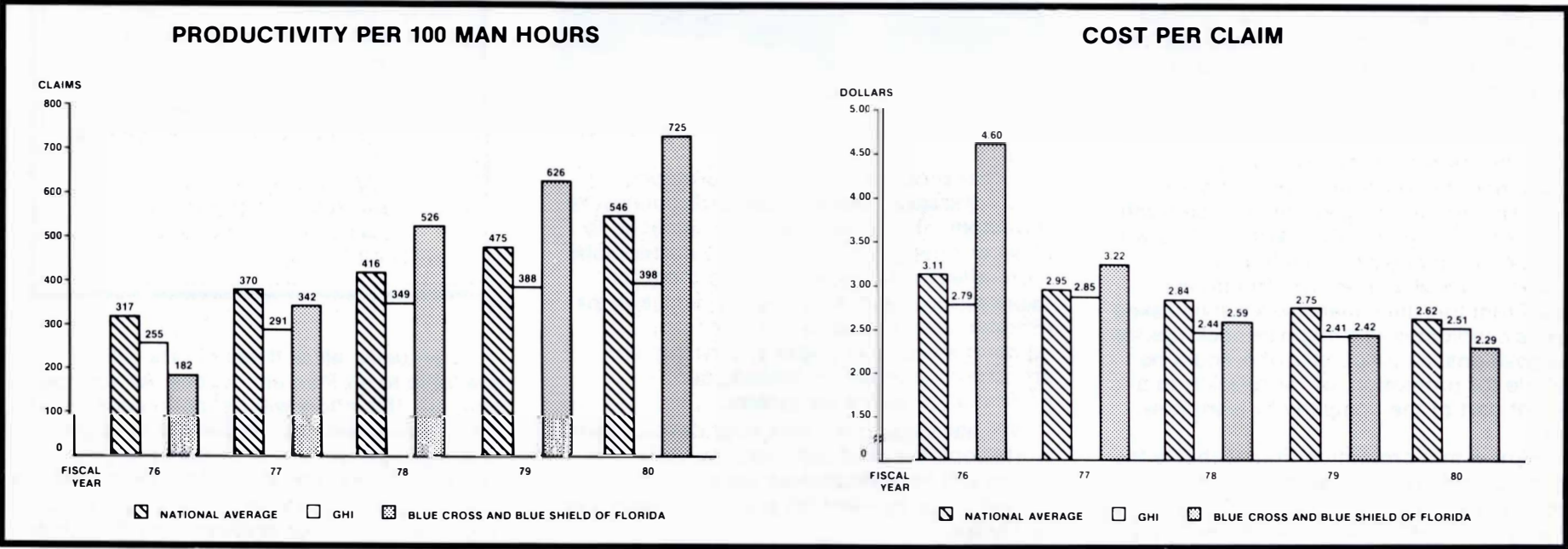
After Bill Flaherty departed, Dan Lewis commented, “We’ve come full cycle with Medicare. We lost it in 1975 because Medicare B was not performing well. Now we have a realistic chance of regaining Dade and Monroe Counties.

“The same day that we submitted our proposal to HCFA, Dr. Dick Dever, Bill Dodd and I met with members of the Board of the Dade County Medical Association. After a thorough review of our performance, these physicians passed a resolution overwhelmingly urging HCFA: **“TO FAVORABLY CONSIDER THE PROPOSAL OF BLUE CROSS AND BLUE SHIELD THAT DADE COUNTY BE RETURNED TO ITS AREA OF JURISDICTION FOR THE PROCESSING OF MEDICARE PART B CLAIMS.”**

“The improved performance of our people makes the difference. We won’t know for at least several weeks whether we have regained the Medicare B contract for Dade and Monroe counties. But we already know that we are operating a service for our Medicare beneficiaries that is one of the best in the country. Every Plan employee can be justifiably proud of that fact.”

Dan Lewis paused for a moment. “We’ve just begun to capitalize upon our current capabilities,” he said. “After this South Florida project, we intend to take a good look at other possibilities for increased business. We are already exploring a proposal for a private business alternative to Medicare (the voucher system) and possible bids for other major contracts.”

As the conversation ended, it was apparent that Dan Lewis was enjoying himself — perhaps more than at any time during his twenty year career with the Plan.





## Toys-for-Tots

### The Curtain Rises on Variety Show — Dec. 5th

Fifty-six employees are currently singing, dancing and practicing other theatrical skills in preparation for the 1981 Blue Cross and Blue Shield Variety Show. Rehearsals have cancelled much of their normal evening hour activities but they don't seem to mind. They realize that when the fun you have gives other people a share of happiness, you've got something going for you.

What they have going will bring plenty of enjoyment to those who attend the Variety Show, but that's only the beginning. The toys that the audience brings as the price of admission go to "Toys-for-Tots" and ultimately end up in the hands, arms and hearts of needy Jacksonville children at Christmas time.

**"For the past two years, employees attending the Variety Show have donated more toys to the "Toys-for-Tots" campaign than any other organization in Jacksonville."**

Aloma Herrington, of the Medicare B Records Department, has participated in the Variety Show since its inception seven years ago. This year she takes on the job of the Show's director.

Aloma believes that, although the cast has a wonderful time putting the show together, and the audience thoroughly enjoys itself, the real reason for this annual event is the kids. "We put in weeks of work, sometimes staying late into the night. But we know that at Christmas some child will have their Santa Claus because we put in that effort."

For the past two years, employees attending the Variety Show have donated more toys to the "Toys-for-Tots" campaign than any other organization in Jacksonville.

Another reason for having the Variety Show each year is the opportunity it provides employees to show off their talents, and to develop close friendships with their co-workers.

"Giving the children a happy Christmas is certainly the main reason for the show,"

Aloma said, "but by the time we get through



Aloma Herrington

with a show we're all just one big happy family. The close associations we establish during a show are a reward in themselves."

One concern Aloma mentioned was that there are some employees who would like to get involved with the Variety Show, but don't know how to go about it.

"Every year we make a general "cast call" for employees who don't have individual acts prepared, but who want to be in the show. These "cast members" become part of the large production numbers, act in miscellaneous skits, and help out with other aspects of the show such as publicity, props, and writing.

"The 'cast' members spend more time in rehearsal than the individual acts because they are usually involved in all or most of the scenes," she said. "The individual acts spend less time at the major rehearsals, but put in more time practicing on their own. During the week before the show, however, everyone really has to put in a lot of time polishing acts, and getting ready for the curtain to go up on opening night."

In the past, the show has revolved around such themes as "The Year of the Child."

This year the basic idea is to do a take-off on "tele-thons." Aloma doesn't want to give away any of the planned surprises and spoil it for the audience, but she did say there will be about sixteen individual acts and plenty of singers, dancers, and comics who will provide a laugh or two.

"A laugh or two" is certainly an understatement if this year's show is anything like the ones produced in the past. Every year they fill up the Little Theatre. More important, they fill up a gigantic box with toys.

See you there: Saturday, December 5th at 8:00 p.m. Don't forget your new toy. And remember the toys can be for children from infancy through early teens. There are a lot of needy pre-teenagers who would love a game, ball and bat or something to entertain them at Christmas.

## People Power

### Tapping the Potential Through Career Development

It took Brenda Cain a number of years to decide what career she really wanted to follow. Now she is developing systems to help other Plan employees who may have similar career questions.

"Our human resource -- our people -- makes us superior to our competition. Yet, we sometimes don't tap that tremendous potential -- our people power," the career development specialist said. "The Human Resource Division is developing a number of new programs that will help us to do so. In the process, we will hopefully assist employees in planning for their future opportunities.

"The Plan is not the same today as it was two years ago," she said. "Obviously it will be different tomorrow. It's important that we prepare our people for the opportunities that will come.

"We need to identify people who have the potential for managing the business in the future. We will begin an effort this month that will make our Job Posting system and our ability to promote internal candidates much stronger. The Personnel and Development Program is designed to assess potential. We want to be certain that we know who could have the capability to move up within the organization and what type of training they need.

"Equally important, we are asking management to coach and counsel their people and we need to provide managers with the tools they require," Brenda said. "We will be collecting detailed information on employees' accomplishments and career goals. From this data, managers will be asked to name candidates who might be back-ups for their positions, name people who could be available for promotion, or for rotation to a different part of the company to learn new skills.

"We know that promotion from within is the most efficient way to prepare the organization for the future," Ms. Cain stated. "This system will give us the ability to do so in the future



Brenda Cain

much more than we have been able to do in the past.

"Other programs are being developed for 1982," she said. "Management and supervisory development courses are being designed to allow our people to perform their current jobs more effectively while preparing them for future assignments. A two-way communications program is intended to open up communications between supervisors and employees and we are revising our performance appraisal system.

"We have also planned career development workshops for next Fall," Brenda Cain said. "They will help employees develop their career plans by identifying their interests and aptitudes.

## Glaucoma Screening Sights Prevention

A free glaucoma screening was offered to all Plan employees in Training room #2, third floor, Main Building on November 2, 3, 4, and 5.

Glaucoma, which is a leading cause of blindness among adults in the United States, usually strikes after the age of thirty-five. Most people who have glaucoma had normal sight most of their lives, but later lost their sight to a disease that could have been halted if discovered early.

The best defense against glaucoma is an eye examination at least once every two years. If discovered early, medical treatment can halt its progress. Sight destroyed by glaucoma, however, cannot be restored.

### Signs and Symptoms Suggesting Chronic Glaucoma

Having the following symptoms does not necessarily mean that you have glaucoma. On the other hand, none of these symptoms may be present — and you could still have early glaucoma. Remember—the best defense against glaucoma is to have regular check-ups.

- \* Frequent changes of glasses, none of which is satisfactory.
- \* Inability to adjust the eye to a darkened room.
- \* Loss of side vision.
- \* Blurred or foggy vision.
- \* Rainbow — colored rings around lights.

"Eventually, all of these efforts will be available to all Plan employees. As you can imagine, this effort will be monumental and take several years to implement throughout the organization. The important thing, to me at least, is that we are putting into place systems that will allow management to prepare the organization and our employees for the future."



# PLAN PRESIDENT TESTIFIES BEFORE SENATE COMMERCE COMMITTEE

The Senate Commerce Committee's hearing room in Tallahassee was packed with spectators on October 27 when Plan President Bill Flaherty outlined his objections to the current Insurance Code.

Mr. Flaherty asked the Senators to end what he termed "serious inequities" in the way Blue Cross and Blue Shield of Florida must try to obtain rate increases. By the time Commerce Committee Chairman Senator Mattox Hair ended the debate, the Senators voiced their agreement with Flaherty's position with an 11-to-2 vote.

**"Blue Cross & Blue Shield is the only health insurance company in Florida required to seek prior approval from the Insurance Department on rate changes."**

"Blue Cross and Blue Shield is the only health insurance company in Florida required to seek prior approval from the Insurance Department on rate changes," Flaherty said. "Our competitors — which number approximately 700 — are free to adjust their rates without prior state approval. This system — along with differing rating standards — gives our competitors a substantial and unfair advantage in an extremely competitive market."

Bill Flaherty noted that it usually takes from two to six months to get the Insurance Department's approval on new rates. "During this delay, we are forced to sell policies below actual costs. No other insurance company in the State is required to operate under these adverse conditions."

The next speaker was Hugh Ray, executive vice president for the Florida Association of Domestic Insurance

Companies. Mr. Ray told the Senators that his group was comprised of the Plan's major competitors. "If Blue Cross and Blue Shield were asking for an advantage in the marketplace," he said, "we would oppose them. But all that they are requesting is to be treated fairly, equally — the same as every other company." Ray noted that the current law discriminates against the Plan and that his group supported the effort to remove Blue Cross and Blue Shield from prior approval.

The last person to testify before the Senators was Insurance Commissioner Bill Gunter, who vehemently opposed the Plan's proposals. "No good will come from taking the action Blue Cross and Blue Shield of Florida suggests to you today," Commissioner Gunter told the Senators. He stated that "Blue Cross and Blue Shield is not an insurance company. It is a provider-influenced health plan much like a health maintenance organization or dental plan."

Gunter told the Senate panel, "The Blues are a different animal." He claimed that the company is controlled by physicians and hospital executives. Allowing the Plan's Board of Directors to set rates would be, Gunter said, "like the fox watching the hen house."

**"During this delay, we are forced to sell policies below actual costs. No other insurance company in the State is required to operate under these adverse conditions."**

Mr. Flaherty countered Commissioner Gunter's allegation. "A substantial majority of our Board members represent the Public. There are 17 public members and only 7 doctors and 7 hospital executives," Flaherty stated.

Several Senators also disputed assertions made by the Insurance Commissioner that



William E. Flaherty

the Plan was so large that it needed to be controlled by the Department. Several noted that the Plan has only about 17 percent of the State's health insurance business. They stated that they felt the market — not the Insurance Department — should be the regulator of rates.

Following the legislators' decision to remove the prior approval regulation, the Plan's Vice President for Public Affairs John Slye was asked to comment on the Senate's action. "We won an important vote today," he said, "but we still have a long way to go before we achieve our objective."

"The House of Representatives' Insurance Committee will be voting on this issue in the first part of December. Then, the full Senate and House will vote early next year."

"To be allowed to compete under the same rules as our competitors, we have to win all of these votes," Slye commented. "Today's 11-to-2 vote by the Commerce Committee is extremely encouraging. But there's still a great deal of work we must do if we are to be successful."

## Security Works For All 8,760 Hours a Year

Anjie Ritchey of the Marketing Support Department thinks that the Plan's Security Department is just great. Anjie wrote, "This memo is to commend and extend my deepest thanks to three of our employees, Percy Howell, Lonnie Bennett and Jerome Hutchinson. Today, my sister visited with her seven month old son, who has a heart condition. As she was leaving, she put her child in the car and inadvertently locked the baby and the car keys in the car."

"Since the car was already hot and Sean has heart seizures when excited or overheated, he immediately had a seizure. If it had not been for those men and their determination to get the car unlocked (which incidentally was not an easy task), we could have had a crisis on our hands. I would just like for you to know what a wonderful thing these gentlemen did."



Anjie Ritchey

Keith Litterick, manager of Building Services, listed several of the other services provided to employees by Billy Alsobrook's security unit.

- \* The Florida Plan's Jacksonville complex is served by Security Aides 24 hours a day, 7 days a week.

- \* After working hours, the security aides will escort employees to the parking facilities, on request, if ample notice is given.

- \* Security will assist employees if they have a dead battery or flat tire.

- \* Security Aides handle all calls requesting assistance with safety, fire, off-hours first aid, or rescue unit calls. FOR ASSISTANCE CALL EXTENSION 6219. This number appears on your telephone.

- \* The Lost and Found service is operated in the Security Department.

- \* Numerous closed circuit TV's and motion detectors to help maintain building security are monitored by Security. (No closed circuit TV's are located in work areas.)

- \* Security constantly monitors fire alarm systems and the elevators.

## Beware The TV Myth

by Lynne Brunson

A recent report in the New England Journal of Medicine states that for all practical purposes television should be considered a health hazard. Apart from the number of inactive hours spent viewing, television conveys subtle health-related images and messages which may be negatively influencing our daily lifestyle behaviors.

Television's prime-time characters are so often viewed eating and drinking to their heart's content, yet despite this, remain relatively slender and healthy at all ages. Unfortunately, unlike the characters we so frequently watch, these eating and drinking attitudes we see on television have altered our personal patterns of living. Today, more than any other period in history, the daily habits of people have a great deal more to do with what makes them sick and in the determination of when they will die.

It is lifestyle, not medicine, that is the deciding factor. So don't get tricked by television which has created a different picture.

In any given soap opera, for example, viewers can expect to see nearly half of all the characters involved in some health related problem. But miraculously, on television, cures are always at hand.

**It is strongly suspected that television may therefore play a significant role in the lifestyle of viewers through developing unrealistic levels of confidence in what medicine can do.**

We must remember, medicine does not always have a cure-all, and turning to another channel will not help us recapture that boyhood physique or schoolgirl figure we once took for granted. Sensible living means recognizing what medicine can do for us and what we must do for ourselves. We are willing to pay so much to be treated, yet seem to be willing to invest so little to be well.

It is time we all assume a greater personal responsibility for our health. This means making a conscious decision to retrain our thinking toward health as more than merely the absence of illness. We should each individually be thinking in terms of striving to reach our own highest health potential.

The most common starting ground for many interested in a healthier lifestyle is an exercise program. My guess is that this is true because we see so many runners out pounding the pavement daily. However, they didn't start out that way, nor should anyone. Remember no one can come out of a lifelong hibernation and expect to run a quick two miles or win a fast twenty laps.

Health is something we must maintain — it adds years to life and life to years. Exercise programs that are hurriedly overexaggerated and concentrated usually leave the participant far removed from quality health. Poorly designed programs are what make dieting never ending frustrations, and our exercise efforts laden with aches and pains.

**Before beginning an exercise program, determine the primary motivation for your participation in this program.**

What are your goals? Are you striving to be a world class athlete or are you trying to control your weight or high blood pressure?

If your goal is to rehabilitate after a recent heart attack, research shows promising results through a well supervised walk/run program. Ladies, if your primary motivation is to lose weight, here is some encouraging news. After an 8-week program the average weight loss for women was 1.5% of body fat. Exercise also carries benefits by lowering the blood pressure, discouraging the desire to smoke, and acting as a tranquilizer.

Just as motivation comes from within, so does our ability to make excuses. Although exercise has been a daily consideration of my own, sometimes it is so easy to justify my skipping a day here or there. Everyone faces days when exercise is not very appealing, whether he/she be an experienced runner or beginner. It's alright to miss a day without feeling guilty. If the excuses become a chronic problem for you, you might try making a list of your most frequent excuses and try to set goals to overcome one each month.

Try rewarding yourself for exercising. Exercising may be difficult at first — your body is not used to it. But after you see the results of your efforts — achieving a higher level of health will become a lifelong awareness.



## Blue Cross and Blue Shield Arts & Crafts Show—Nov. 16th

Linda Odum is determined to set a record for the number of exhibits in the 1981 Arts and Crafts show. That, says Chairperson Odum, will take over 500 exhibited items. November 16th is the date of this year's show.

To be a part of one of the year's most popular events, employees should fill out the entry blank received in inter-office mail and return it to Linda Odum, Health Services Data Dept., 14 Tower. Be sure to mark the appropriate category and the number of items you wish to enter.

### Best of Show

Judging will be conducted by persons from outside the company who are knowledgeable and experienced in the various categories. Ribbons will be awarded for each category. A special award will be given for the entry judged "Best of Show". Any articles that have previously won a blue ribbon should not be entered.

Exhibits must have been created by the exhibitor (employee). Entries will be accepted in the 3rd Floor Conference Room #1 on Monday, Nov. 16, from 7:00a.m. - 8:00 a.m., and should be picked up between 3:30 p.m. and 4:00 p.m. that afternoon.

John Bradberry ♦ Frances Rooks

## Two Long Term Employees Retire

John Bradberry, senior sales representative for over twenty-three years, retired from the Tallahassee District Sales Office on August 21 of this year.

John has received a number of awards for outstanding services and new sales during his career. His most recognized effort was his involvement with the consolidation of the State of Florida group into a single employer group in 1972.

After serving over twenty-four years with the Florida Plan, Frances Rooks recently retired from her position as an incoming mail clerk.

Frances began her career with the Plan on May 15, 1957 as a file clerk; a job she held for two years. She transferred to Mail Operations where, in addition to her duties as mail clerk, she worked for two years as a Control Clerk.

## 1200 Employees Attend Bazaar

### UNITED WAY NETS \$64,893

A dedicated group of volunteers and a well attended kick-off bazaar, helped the Florida Plan raise over \$64,893 in its United Way campaign.

"The 40 volunteers here in our building are the most enthusiastic people I've ever worked with," said Joe Lee, Blue Cross and Blue Shield Campaign Chairman. "They didn't mind doing the little things like stuffing 2,100 envelopes during lunches and after regular work hours."

The September 30 kick-off bazaar featured ten local United Way Agencies, Nelson Young and the Sandy Valley Boys — a North Carolina Bluegrass band — and a lot of sunshine in the Blue Cross and Blue Shield courtyard. Lee cheerfully explained that over 1,200 Plan employees came out for lunch and a look at the United Way agencies.

### Missed \$75,000 Goal

Lee said 1,140 Jacksonville employees made a contribution or pledge during the September 30 to October 9 drive. "We did fall short of our \$75,000 goal," said Lee, "but I think this was because not everyone knows about the full range of community services which United Way provides to Northeast Florida."

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